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Commissioners:

The recent Impact Fee Report by Dr. Nicholas was a disappointment on many levels:

1. The new schedule of fees by house size is a dramatic change and seems unfair to larger houses and overly generous to small or “affordable” houses.
2. The report relies predominately on assumed number of persons per household to support many of its conclusions, but it fails to consider many all available statistics that might lead to different conclusions.
3. It proposes to reduce School Impact Fees on houses below 3750 sq. ft. which seems irrational after the County residents recognized the need to provide more support for much needed new school capacity by imposing a sales tax increase on themselves. According to the report, that increase actually decreases the amount of impact fees due. Why wasn’t this public information?
4. It dramatically increases new business impact fees which is contradictory to a stated County objective of attracting new businesses to our County to increase our tax revenues.

After a thorough reading of the document, I have found the following areas of concern. Of greatest concern to me is the arbitrary division of house size by square footage. It is this division of square footage that drives the entire residential part of the study. I understand that Administration or Staff told Dr. Nicholas that they wanted to recognize the need for “affordable” housing in this county, but the division he came up with, on their direction, seems capricious and unrelated to the actual service costs required to support each category of homes. While I recognize the need for more affordable housing, I don’t think these projected fees are equitable to those who build houses 2,500 sq. ft. and larger. As you know, we previously charged impact fees based on two house sizes: Less than 1800 sq. feet and more than 1800 sq. feet. It is hard for me to think 2,400 sq. ft. homes should be considered in the “affordable” category. Now the classifications are:

Table 2
RESIDENTIAL OCCUPANCIES BY SIZE OF UNIT

Unit Size	Peak Occupants	Public School
Under 800 FT2	1.474	0.100

801 - 1,250	1.751	0.183
1,251 - 2,500	2.220	0.325
2,501 - 3,750	2.617	0.462
3,751 - 5,000	3.032	0.482
5,001 FT2 and Over	3.201	0.490
Hotel & Motel Room	1.750	0

These increases are for 449 feet, then 1250 sq. feet. Wouldn't a more rational division and defensible division go from the following:

- Under 800 sq. ft.
- 800 to 1,250 sq. ft.
- 1,251 to 1,800 sq. ft.
- 1,801 to 2,400 sq. ft.
- 2,401 to 3,000 sq. ft.
- 3,001 to 3,600 sq. ft.
- 3,601 to 4,200 sq. ft.
- 4,201 and above

This, at least, is incremental in size by 600 sq. ft. above the 1,800 sq. ft. to the 4,200 sq. ft. level. This seems more rational and consistent with the goal of providing more "affordable" housing. Two realtor friends have stated that mainly retirees and vacation homes are built larger than 3,750 sq. ft. Also, they state, only about 20% of SJC properties are larger homes. If that is correct, won't that have the effect of further limiting the amount of impact fees?

Dr. Nicholas's estimate of population varies throughout the report. He states "The estimate of the 2017 permanent resident population is 225,738. However, St. Johns County must serve a population which is much greater than simply the permanent residents. Therefore, the relevant figure is the peak population, which for 2017 is estimated to be 256,027. The peak population to be found within St. Johns County would be the sum of permanent residents, part-time residents and transients. Permanent residents are those individuals who maintain their domicile in St. Johns County and it may be presumed that they reside within the county for six months or more per year." Throughout his report he uses population numbers different from both. Why?

In the **Law Enforcement** section, he uses a population of 210,536 to project costs. Why not either of the above figures? (P. 32). **Law Enforcement** fees per household size are, in my view, irrational: Homes 5,000 FT and over get the largest fee of \$188 compared to previous \$91 fee. Larger homes, despite his assertion of 3+ occupants, are less likely to have greater use of law enforcement than smaller homes.

In the **Fire/Rescue** area (P.37), why is the Population Served for fire listed as 240,614 while the rescue population is 256,027? Shouldn't they be the same? With all the data available, why couldn't an absolute determination be made of the house size generating the calls for both fire and rescue? See next paragraph. That failure to examine calls

results in larger homes (again) bearing a disproportionate cost which again disputes logical assumptions.

Calls for service to St Johns County Fire and Reserve “were examined and assigned to the **land uses** when a site could be identified. For residential land uses, the call data were for type of residence and not size. Therefore, it is necessary to convert call data into residential size groupings. This allocation is shown in the following table. “ **WHY?** Fire/EMS has dispatch addresses and the Property Appraiser has house size. Why not use actual information?

Allocation to Calls for Service into Size Groupings

	% Multifamily	% Single Family	Calls per Unit
Under 800 FT2	100%	0%	0.0484
801 - 1,250	80%	20%	0.1302
1,251 - 2,500	60%	40%	0.2121
2,501 - 3,750	40%	60%	0.2939
3,751 - 5,000	20%	80%	0.3758
5,001 FT2 and Over	0%	100%	0.4576

Our county is 44th in size, but second most expensive for Fire/Rescue. Shouldn't a smaller size and a relatively small population (203,402 [USA.com / Ranks / Florida Land Area County Rank](#))

result in lower Fire/Rescue cost? Only Collier County is more expensive with a larger population of 334,474 and the largest land mass (1,98.32 sq.mi.) of all Florida counties.

- 2. 1,969.76 sq. mi [Palm Beach, FL](#) / 1,359,074 population
- 3. 1,897.71 sq. mi [Miami-Dade, FL](#) / 2,600,861 population

See P. 41 for SJC reference.

In the **Road Impact Fees** area, road impact fees have “trip” mileage that is low considering so many of our residents work in Duval County. Of course, impact fees do not reflect the impact of visitors. We are quick to say that 30 to 40% of a sales tax would be paid by visitors. So why haven't Commissioners raised the gasoline tax so that we could generate more road maintenance revenue from those visitors? We charge 7 cents per gallon and generate (per Dr. Nicolas's study) \$30,818,041. That works out to \$4,402,577/per penny; therefore, if we raised it to the maximum 11 cents, we would generate another \$17,610,309 for road construction/maintenance. So, Commissioners, why haven't we done that to help solve our road maintenance issues?

Finally, in the section directed to the **School Board**, P. 56 shows a chart that shows there is very little difference in the number of public school occupants between units of 3,500 to 5,000 sq. feet. Certainly not enough to create the use disparity reflected in impact fee

costs. This chart conflicts DRAMATICALLY with p. 7 of the School Board Report. Why are we charging those building homes 5,000 sq. ft. and larger so much in impact fees particularly since Dr. Nicholas states on P. 1 of the report to the School Board "Impact fees cannot exceed a *pro rata* share of the reasonably anticipated costs of expanding facilities required to serve new development." Can this be defended in a court of law since the report states numerous times that the fees must be proportionate to the impact created?

Referring to the last paragraph, page 12 of Dr. Nicholas's report, "Table 9 sets out an impact fee credit that reflects what new development would be expected to pay in sales taxes for school capital purposes. The adopted program is for 70.6% of the sale tax proceeds to be used for capacity expansions, which will be credited against impact fees otherwise chargeable." Does this mean the sales tax reduces the amount developers pay for school impact fees? Is this required by law?

If the above statement is true, then why weren't residents of SJC told before we voted to increase our sales tax specifically for schools by ½ cent?

In conclusion, I think Dr. Nicholas's study needs some fine tuning. I very much want impact fees, particularly school impact fees, to increase for all who choose to build in St. Johns County. From the table on page 52, it appears that all houses smaller than 3,750 sq. ft. will have **reduced** school impact fees from previous levels. We all recognize the devastating changes our rapid growth has brought. The business fees in his report would seem to discourage the growth of much needed business development in SJC.

One final thought, any investigation you pursue needs to be done quickly as we are already one year overdue in having this impact fee study complete.

Thank you for reading this long letter!

Linda Oakley

